

INDIANA 1115 DEMONSTRATION

FACT SHEET

Name of Section 1115 Demonstration: Indiana HoosierRx

Date Proposal Submitted: July 19, 2002

Date Proposal Approved:

Proposed Implementation Date: July 1, 2002

SUMMARY

The demonstration is a statewide program that provides a prescription drug benefit to Indiana residents aged 65 and over, with incomes at or below 135% of the Federal Poverty Level (FPL). Indiana currently has a state-only program with incomes at or below 135% that will be subsumed by the demonstration. The HoosierRx demonstration proposes to cover not more than 30,000 enrollees.

ELIGIBILITY

Individuals eligible for HoosierRx must meet the following requirements:

- Be an Indiana resident for at least 90 days within the past 12 months;
- Not receive prescription drug benefits through an insurance plan or Medicaid;
- Be age 65 or older;
- Have an annual income at or below 135 percent FPL.

There will be no assets test. Income adjustments to be made for taxes and Medicare Part B premiums. Social security or pension checks are considered after adjustments are made for taxes and Medicare Part B premiums.

BENEFIT PACKAGE

All prescription drugs covered under the Medicaid State plan are covered under this demonstration.

COST-SHARING

- Participants in the HoosierRx demonstration will pay 50 percent of the HoosierRx discounted rate, which is identical to the Medicaid rate:
 - AWP-13.5% + \$4.90 for brands
 - AWP-20% + \$4.90 for generics
- There is a maximum annual benefit cap of \$1000 – to be instituted on a sliding scale

basis for individuals and couples:

- Up to 100% FPL - \$1,000 cap
- Up to 120% FPL - \$750 cap
- Up to 135% FPL - \$500 cap

ENROLLMENT PROCESS

Individuals apply for HoosierRx by filling out a one-page application form, which is available in pharmacies and local Social Security Administration offices as well as the Indiana Medicaid office. Applications are also available by request by calling a toll free telephone number or from the Internet, www.in.gov/hoosierRx. Applications along with proof of income are submitted by mail to the HoosierRx/Indiana Family and Social Services Administration.

After enrollment, participants will receive an identification card to be used when purchasing prescription drugs. Once determined eligible for HoosierRx, an individual remains eligible for 12 months from the date of initial enrollment. Renewal applications will be mailed before the end of the eligibility period.

DELIVERY SYSTEM

HoosierRx is administered on a fee-for-service basis. The pharmacy benefit provided through this demonstration will enhance and complement primary health care benefits for demonstration eligibles. Indiana expects that most enrollees will be Medicare eligible. For those who are not, there is no coordination of primary care provided by this benefit. HoosierRx will operate a provider network. Only pharmacies that agree to accept the terms of the program will participate as HoosierRx providers. Provider contracts will be negotiated separately.

BENEFIT MANAGEMENT

Indiana has contracted with a PBM, ACS Healthcare, to manage the pharmacy benefit for HoosierRx and the traditional Medicaid program. The following cost-management strategies will be implemented:

- Pharmacy Point-of-Sale system, to enable providers to submit real-time claims for prescription drugs to verify participant eligibility and medical history;
- Prospective/Retrospective Drug Utilization Review;
- Prior Authorization for brand name drugs (following a transition to a mandatory generics requirement);
- Restricted cards – in cases of potential abuse.

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